

FEB 18 2011

PATENT

Attorney Docket No. 146.0003-00000
Customer No. 22882

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:) Confirmation No.: 3966
Paul A. Francisco et al.)
Serial No.: 09/195,105) Group Art Unit: 3628
Filed: November 18, 1998) Examiner: Akiba K. Robinson Boyce
For: POINT OF SALE TAX REPORTING)
AND AUTOMATIC COLLECTION)
SYSTEM WITH TAX REGISTER)

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Commissioner for Patents
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Sir:

PRE-APPEAL BRIEF REQUEST FOR REVIEW

Further to the Advisory Action of November 18, 2010 ("Advisory Action"), Appellant submits the following remarks for consideration by the Members of the Pre-Appeal Conference:

I. Brief Background

This application includes seven independent claims, claims 1, 9, 17, 28, 30, 32, and 33, all generally drawn to a point of sale tax reporting system. In response to a Final Office Action mailed August 20, 2010 (the "Final Action"), Appellant submitted an Amendment After Final dated October 20, 2010 (the "October Amendment"), amending independent claim 9 to provide antecedent basis for a claimed element, and traversing the Examiner's rejections of claims 1, 2, 4, 5, 8, 14, 16, and 30-32 under 35 U.S.C. § 103(a) over U.S. Patent No. 5,644,724 to Cretzler ("Cretzler") in view of U.S. Patent No. 5,335,169 to Chong ("Chong"); claims 3, 6, 7, 9-13, and 17-27 under 35 U.S.C. § 103(a) over Cretzler and Chong, further in view of U.S. Patent No. 5,774,872 to Golden et al. ("Golden"); and claims 28, 29, and 33 under 35 U.S.C. § 103(a) over Cretzler and Chong, further in view of U.S. Patent No. 5,642,279 to Bloomberg ("Bloomberg"). In the Advisory Action, the Examiner entered Appellant's amendment to independent claim 9 to overcome the rejection under 35 U.S.C. § 112, second paragraph, but maintained the art rejections. Appellant submitted a Response on December 20, 2010 (the "December Response"), rebutting the assertions made by the Examiner in the Advisory Action.

II. Clear Errors or Omissions

(1) The rejection of independent claims 1, 30, and 32 under 35 U.S.C. § 103(a) over Cretzler in view of Chong is clearly erroneous for the reasons set forth below.

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A. Examiner Comments in the Advisory Action pertaining to the use tax being "based on the location of the consumer."

Independent claim 1 recites at least one tax register adapted to compute use tax data for the transaction to be indicated to an appropriate government agency "based upon a location where purchased goods are to be shipped." The Examiner admits that "Cretzler does not specifically disclose computing use tax data for the transaction to be indicated to an appropriate government agency based upon a location where the purchased goods are to be shipped." (Final Action, page 5, lines 21-23). Applicant respectfully disagrees with the Examiner's contention that Cretzler suggests that the use tax is based on the location of the consumer "since the consumer initiates a transaction at the point-of-sale location." (Final Action, page 6, lines 1-2). More specifically, the point-of-sale location is the location of the retailer, not the location where the goods are to be shipped.

In the Advisory Action, the Examiner improperly states that "Applicant argues that prior art fails to teach that use tax is based on the location of the consumer." (Advisory Action, page 2). This statement is incorrect. Applicant stated on page 12 of the October Amendment that "Chong does not teach or suggest computing use tax data 'based upon a location where the purchased goods are to be shipped' and not based on the location of the consumer (October Amendment, page 12 (emphasis added)). The computation of a use tax based on where the goods are to be shipped is different from a computation of a use tax based on the location of a consumer. In particular, the shipping location need not be the same as the consumer location. This is a fundamental distinction that Chong does not disclose.

B. Examiner Comments pertaining to "transmission of tax data directly to the governmental taxing authority."

Independent claim 30 recites "a communication link directly connecting over a network said tax register to the government taxing authority, said tax register being programmed to transmit said tax data directly to the government taxing authority via said communication link." (Emphasis added). Independent claim 32 recites that the system is operable to "directly connect via a communication link over a network to the government taxing authority, and automatically transmit said tax data over the network directly to the government taxing authority via the communication link." (Emphasis added). Applicant respectfully disagrees with the Examiner's contentions that Cretzler discloses these elements. (Final Action, page 9, lines 5-6; page 10, line 19 through page 11, line 1).

The Examiner states that "Cretzler teaches that the total amount of the transaction is first sent to the merchant bank, however, taxes alone are sent to the taxing authority, and

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Cretzler therefore teaches the transmission of tax data directly to the governmental taxing authority." (Advisory Action, page 2). Applicant respectfully submits that the Examiner's own statement shows that Cretzler does not teach the invention of independent claims 30 and 32.

- (i) "Directly connecting" and "transmitting" tax data "directly to the governmental taxing authority."

The Examiner states that the total amount of the transaction is "first sent" to the merchant bank. (Advisory Action, page 2). This statement alone shows that tax data is not transmitted "directly" to the governmental taxing authority as claimed in independent claims 30 and 32.

- (ii) The transmission of "tax data" directly to the governmental taxing authority.

The Examiner states that the total amount of the transaction is first sent to the merchant bank, then "taxes alone are sent to the taxing authority." (Advisory Action, page 2). Applicant submits that any tax data, to the extent that what is sent to the merchant bank constitutes tax data, stops at the merchant bank and is not forwarded to the governmental taxing authority. As stated by the Examiner, it is the "taxes alone" (i.e., payment or money) that is sent to the taxing authority, not tax data as recited in independent claims 30 and 32.

(2) The rejection of independent claims 9 and 17 under 35 U.S.C. § 103(a) over Cretzler and Chong, further in view of Golden is clearly erroneous for the reasons set forth below.

Independent claim 9 recites a computer register adapted to calculate the use tax to be received by the government agency "based upon a location where the goods are to be shipped." Similarly, independent claim 17 recites a tax register adapted to compute use tax data for the transaction to be provided to an appropriate government agency "based upon a location where purchased goods are to be shipped." The Examiner admits that Cretzler does not disclose the recitation of where "goods are to be shipped" and improperly relies on Chong to supply this missing element. (See Final Action, page 15, lines 13-14; page 20, lines 21-23).

Applicant submits that for at least the reasons discussed above in traversing the rejection of independent claim 1, Chong does not teach or suggest computing use tax data "based upon a location where the purchased goods are to be shipped." In the rejection of independent claims 9 and 17, the Examiner combined Cretzler and Chong with Golden for Golden's alleged disclosures of "a digital data network" and generating "reports to send to the state governmental taxing authority," respectively. (See Final Action, page 17, lines 1-2; page 22, lines 1-5). Accordingly, Applicant submits that the combination of Cretzler, Chong, and Golden does not teach or suggest the above-discussed recitations of independent claims 9 and 17.

- (3) The rejection of independent claims 28 and 33 under 35 U.S.C. § 103(a) over Cretzler

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and Chong, further in view of Bloomberg is clearly erroneous for the reasons set forth below.

A. Examiner Comments pertaining to a purchase being made "over the Internet by a consumer."

Independent claims 28 and 33 each concern "a purchase made over the internet." In particular, independent claim 28 recites at least one tax register including a processor configured to generate tax data including a calculation of an amount of tax to be paid to a government taxing authority "for a purchase made over the Internet by a consumer."

Similarly, independent claim 33 recites a processor programmed to receive, over a network, tax data including an amount of tax to be paid to a government taxing authority "for a purchase made over the Internet by the consumer from the retailer." The Examiner states that Bloomberg teaches that the transaction information may be stored "on-line" by the clerk making the sale, and thus the part of the purchase process is being done "on-line." (Advisory Action, page 2). Applicant submits that Bloomberg nonetheless does not disclose or suggest a purchase over the Internet by a consumer for the reasons set forth below.

(i) "[A] purchase made over the Internet."

Independent claims 28 and 33 each concern "a purchase made over the internet."

(a) A purchase made over the Internet does not consist merely of the storing of transaction data by a clerk making a sale.

A purchase involves an exchange of value between two parties. For example, Merriam-Webster Dictionary defines "purchase" as "to obtain by paying money or its equivalent." (www.merriam-webster.com/dictionary/purchase (accessed December 6, 2010)). Applicant respectfully submits that the storing of information on a computer by a clerk does not amount to "a purchase over the Internet" as claimed in independent claims 28 and 33.

(b) The Examiner impermissibly attempts to inject the Internet into Bloomberg's use of the term "on-line."

Bloomberg states that transaction data may be "stored on-line as the information is entered by the clerk making the sale, or may be stored off-line, for example at the dealer location." (Bloomberg, col. 3, lines 58-61.) At the time that Bloomberg was filed (August 9, 1994), the term "on-line" did not imply "Internet." The term "on-line" was more generally associated with use of a computer. Wikipedia states that "[i]n general, 'on-line' indicates a state of connectivity, while 'offline' indicates a disconnected state." (Wikipedia, www.wikipedia.org/wiki/On-line, (accessed December 8, 2010)). A person of ordinary skill in the art at the time of Bloomberg's disclosure would not have concluded that a transaction was being conducted over the Internet based on Bloomberg's

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disclosure. Accordingly, Applicant submits that Bloomberg's storage of information "on-line" is not "over the Internet" as recited in independent claims 28 and 33.

Moreover, Bloomberg discloses that purchases are made "at each retail location." (Bloomberg, col. 3, lines 39-40). Since the actual purchase is conducted at the retail location and not the Internet, Bloomberg does not disclose or suggest this feature of independent claims 28 and 33.

(ii) "[B]y a consumer."

Independent claims 28 and 33 each recite that the purchase made over the Internet is "by a consumer." Even, *assuming arguendo*, that part of the purchase process is being conducted "on-line" as contended by the Examiner, the portion being conducted on-line is by a clerk, not "by a consumer" as claimed. Accordingly, Bloomberg also fails to disclose or suggest this feature of independent claims 28 and 33.

Applicant submits that independent claims 1, 9, 17, 28, 30, 32, and 33 are patentable and that dependent claims 2-8, 10-14, 16, 18-27, 29, and 31, dependent from one of independent claims 1, 9, 17, 28, or 30, or claims dependent therefrom, are patentable at least due to their dependency from an allowable independent claim.

III. Conclusion

In view of the foregoing remarks, it is respectfully submitted that the claims are patentable. Therefore, it is requested that the Members of the Pre-Appeal Brief Conference reconsider the outstanding rejections in view of the preceding comments. Issuance of a timely Notice of Allowance of the claims is earnestly solicited.

To the extent any extension of time under 37 C.F.R. § 1.136 is required to obtain entry of this reply, such extension is hereby respectfully requested. If there are any fees due under 37 C.F.R. §§ 1.16 or 1.17 which are not enclosed herewith, including any fees required for an extension of time under 37 C.F.R. § 1.136, please charge such fees to our Deposit Account No. 50-1068.

Respectfully submitted,

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Date: February 18, 2011

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